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6 Attorney for: Debtor and defendant WWDT ENTERPRISES, INC.

7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 LE KUN WU, individually and as trustee of the
12 WU LIVING TRUST, DATED 10-06-97;
13 KATHERINE WU, as an individual,

14 Plaintiffs,

15 vs.

16 MAGNUS SUNHILL GROUP, LLC, a California
17 Limited Liability Company; DAVID WAN, an
18 individual; DAVID TSAI, an individual; TSAI &
19 ASSOCIATES, ARCHITECTS, a California
20 business entity; MILDRED PROPERTIES, LLC, a
21 California Limited Liability Company;
22 MANDARIN REALTY I CORPORATION, a
23 California corporation; MOUNTAINFIELD
24 PROPERTIES, LLC, a California limited liability
25 company; CENTRAL ESCROW INC, a California
26 corporation; SARAH SHUM, an individual;
27 WWDT ENTERPRISES, INC., a California
28 corporation; WEI WANG, an individual; and
DOES 1 through 50, inclusive,

Defendants.

CV 12-08047 DSF (AGR-x)
NOTICE OF REMOVAL OF LOS ANGELES
SUPERIOR COURT CASE NUMBER GC
045340, consolidated with BC 450144 and BC
466955

1
2 LE KUN WU, an individual; WEI JUNG WU, an) No.
3 individual; LE KUN WU AND WEI JUNG WU,)
4 as co-trustee of the WU LIVING TRUST, DATED)
10-06-97; KATHERINE WU, an individual)
5 Plaintiffs,)
6 vs.)
7 WWDT ENTERPRISES, INC, a California)
8 corporation; WEI WANG, an individual and)
9 DOES 1-50, inclusive)
10 Defendants.)

11
12 LE KUN WU, individually and as trustee of the) No.
13 WU LIVING TRUST, DATED 10-06-97;)
14 KATHERINE WU, as an individual,)
15 Plaintiffs,)
16 vs.)
17 MAGNUS SUNHILL GROUP, LLC, a California)
18 Limited Liability Company; and DOES 1 through)
19 ~~W~~ inclusive,)
20 Defendants.)

JURISDICTION

1
2 1. This Notice of Removal is filed pursuant to, and this Court has jurisdiction pursuant to 28 U.S.C.
3 section 1441, in that the removing party, WWDT Enterprises, Inc., has filed a petition for bankruptcy in
4 this District, In re WWDT Enterprises, Inc., Case number 2:12-bk-41573-BR and is a defendant in Los
5 Angeles Superior Court case number GC 045340, which is consolidated with Los Angeles Superior
6 Court cases BC 450144 and BC 466955.
7

8 2. Copies of the consolidated complaints of the plaintiffs in the case are attached as Exhibits 1 and
9 2 to this Notice of Removal.
10

11
12 VENUE

13 3. Venue in this district exists pursuant to 28 U.S.C. section 1452 and Bankruptcy Rule 9027, in
14 that the removed case is pending in the Los Angeles Superior Court, which is within this district and
15 division.
16

17 ACTION IS CORE PROCEEDING

18 4. The action being removed is a core proceeding pursuant to 11 U.S.C. section 157 (O), in that the
19 action is the principal asset of the estate, and the funding of the prosecution of the action and the
20 distribution of the judgment is the principal purpose of and will form the principal substance of the Plan
21 of Reorganization.
22

23 DATED: September 18, 2012

24 LAW OFFICE OF PAUL HARRIGAN

25 By 

26 Paul Harrigan

27 Attorney for removing party and defendant
28 WWDT Enterprises, LLC

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EXHIBIT 1

LAW OFFICES OF THOMAS H. GODWIN
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Attorney for Plaintiffs
Le Kun Wu, individually and as Trusee of the
Wu Living Trust, dated 10-06-97, and Katherine Wu

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

LE KUN WU, individually and as trustee of
the WU LIVING TRUST, DATED 10-06-
97; KATHERINE WU, as an individual,

Plaintiffs,

vs.

MAGNUS SUNHILL GROUP, LLC, a
California Limited Liability Company;
DAVID WAN, an individual; SI LAU, an
individual; DAVID TSAI, an individual;
TSAI & ASSOCIATES, ARCHITECTS, a
California business entity; MILDRED
PROPERTIES, LLC, a California Limited
Liability Company; MANDARIN REALTY
I CORPORATION, a California
corporation; MOUNTAINFIELD
PROPERTIES, LLC, a California limited
liability company; CENTRAL ESCROW,
INC, a California corporation; SARAH
SHUM, an individual; WWDT
ENTERPRISES, INC., a California
corporation; WEI WANG, an individual;
and DOES 1 through 50, inclusive,

Defendants.

CASE NO. GC045340, consolidated with BC
450144 and BC 466955

**[PROPOSED] CONSOLIDATED THIRD
AMENDED COMPLAINT OF LE KUN
WU, INDIVIDUALLY AND ON BEHALF
OF THE WU LIVING TRUST, DATED 10-
06-97 AND KATHERINE WU**

(1) Breach of Fiduciary Duty

(2) Fraud

(3) Negligent Misrepresentation

(4) Constructive Fraud

(5) Breach Of Contract

(6) Account Stated

(7) Conversion

(8) Violations of the UCL

[DEMAND FOR JURY TRIAL]

1 LE KUN WU, an individual; WEI JUNG
2 WU, an individual; LE KUN WU and WEI
3 JUN WU, as co-trustee of the WU LIVING
TRUST, DATED 10-06-97; KATHERINE
WU, an individual,

4 Plaintiffs,

5 vs.

6 WWDT ENTERPRISES, INC, a California
7 corporation; WEI WANG, an individual and
DOES 1-50, inclusive,

8 Defendants.

CASE NO. BC 450144

9
10 LE KUN WU, an individual, and as trustee
of THE WU LIVING TRUST dated 10-06-
11 97, and KATHERINE WU, an individual,

12 Plaintiffs,

13 vs.

14 MAGNUS SUNHILL GROUP, LLC, a
California Limited Liability Company; and
15 DOES 1 through 30, inclusive,

16 Defendants.

CASE NO. BC 466955

1 Plaintiffs Le Kun Wu, the Wu Living Trust, dated 10-06-97, and Katherine Wu, upon personal
2 knowledge as to themselves, their own acts and the acts they witnessed, and upon information and belief
3 as to all other matters, allege as follows:

4 **I. INTRODUCTION**

5 1. This case is about a group of faithless fiduciaries who exploited a relationship of trust
6 and confidence to defraud a mom, husband disabled with a brain tumor and their daughter out of over
7 \$1.3 million of invested capital.

8 2. In 2003, David Tsai attempted to raise enough equity through a single investor located in
9 Hong Kong to finance a purported development project for a mixed use commercial center in Monterey
10 Park, California. The primary investor backed out. Defendant Tsai recruited Defendants Si Lau and
11 David Wan. Together, they went hunting for new money. To entice Plaintiffs, Defendants Tsai, Lau
12 and Wan represented that they were experts in their fields, the investment was safe, construction would
13 easily be completed within three years and Plaintiffs would obtain a 50 percent profit along with 10
14 percent interest within three years. Defendants Tsai, Lau and Wan also represented that Plaintiffs'
15 investment would be used to make the \$6.5 million equity requirement needed to obtain construction
16 financing.

17 3. Defendants Tsai, Lau and Wan, however, failed to disclose the fact that they had put in
18 place a high risk plan to acquire the property that the development needed to go forward. They also
19 failed to disclose how much money their plan would consume and the problems it would create.
20 Specifically, Defendants Tsai, Lau and Wan had secretly decided to gamble on acquiring the needed
21 property within a few months through eminent domain procedures. Defendants never disclosed that
22 eminent domain procedures could drag on for years and consume millions of dollars. In fact, the
23 eminent domain proceedings did drag on for years and (based on a 2010 report by Paul Harrigan) they
24 consumed the entire \$6.5 million capital contribution that Defendants had promised to use to acquire a
25 construction loan.

26 4. Defendants' fraud escalated as time went on and grew to include others. As explained
27 below, Defendants used positions of control and trust to convert Magnus Sunhill, LLC into a personal
28

1 piggy bank and enrich themselves at Plaintiffs' expense. Through their positions of trust and control,
 2 Defendants suppressed the existence of the fraud until evidence of wrongdoing leaked out in 2009.

3 **II. PARTIES**

4 5. Plaintiff Le Kun Wu ("Ms. Wu") is and was at all relevant times a resident of County of
 5 Los Angeles, California; she is also trustee of the Wu Living Trust, dated 10-06-97. She is 62 years
 6 old. Although he passed away in from a meningioma in the brain stem area in 2011, Ms. Wu's husband
 7 (Wei Jiung Wu) was a radiologist. Neither Ms. Wu nor her husband were or are experienced investors
 8 in real estate.

9 6. The Wu Living Trust, dated 10-06-97 (the "Trust"), is and was at all relevant times a
 10 California trust. Ms. Wu purchased a membership interest in Magnus Sunhill Group, LLC ("Magnus")
 11 on behalf of the Trust in or about April 2004. The Trust continued to make capital contributions
 12 through August 2006 for a total capital contribution of approximately \$700,000. The Trust continues to
 13 hold a membership interest in Magnus.

14 7. Plaintiff Katherine Wu ("K. Wu") is Le Kun Wu's daughter; she also is and was at all
 15 relevant times a resident of the County of County of Los Angeles, California.

16 **Magnus**

17 8. Defendant Magnus Sunhill Group, LLC ("Magnus") is and was at all relevant times a
 18 California limited liability company with its principal place of business in County of Los Angeles,
 19 California.

20 **Management Defendants**

21 9. Defendant David Tsai is and was at all relevant times a resident of County of Los
 22 Angeles, California; at all relevant times, he was also a manager of Magnus. Mr. Tsai holds a Master
 23 Degree of Architecture from the University of California at Berkeley, which he obtained in 1970. He
 24 has been a licensed architect in California since 1978 and a licensed contractor since 1977. Among
 25 other companies, he owns Tsai Development, a design and construction business, and Tsai &
 26 Associates, AIA, an architectural business. Mr. Tsai is a highly sophisticated real estate investor and
 27 developer. His knowledge and expertise in those areas is far superior to Plaintiffs.
 28

Enterprise Defendants

18. Upon information and belief, Defendant Mountainfield Properties, LLC ("Mountainfield") is and at all relevant times was a California Limited Liability Company with a principal place of business in County of Los Angeles, California. Based on information and belief, Defendants Wan and Lau are the sole members of Mountainfield.

19. Upon information and belief, Defendant Mandarin Realty I Corporation ("Mandarin") is and at all relevant times was a California Corporation with a principal place of business in County of Los Angeles, California. Based on information and belief, David Wan is Mandarin's sole shareholder.

20. Upon information and belief, Defendant Tsai & Associates is a business entity that is and at all relevant times was organized and operating under the laws of California with a principal place of business in County of Los Angeles, California. Upon information and belief, David Tsai is the controlling member of Tsai & Associates.

21. Upon information and belief, Defendant Mildred Properties, LLC ("Mildred") is and at relevant times was a California limited liability company with a principal place of business in County of Los Angeles, California. Upon information and belief, David Tsai and his wife Milley Tsai are Mildred's sole members.

22. There now exists, and at all times since at least the date of the Trust's purchase of a membership interest in Magnus, there has existed, a unity of interests between the Management Defendants, Magnus and the Enterprise Defendants such that separate personalities no longer exist and it would be inequitable to treat the acts alleged herein as the acts of a single defendant alone. The Enterprise Defendants and Magnus were conceived and intended, and have been used, as a device to attempt to avoid liability. The Management Defendants, Magnus and the Enterprise Defendants constitute but one enterprise; and, this enterprise has been so handled such that it should respond, as a whole, for damages arising from the Defendants' conduct.

Doe Allegations

23. Plaintiffs do not know the true names of Defendant Does 1 through 50 and therefore sue them by those fictitious names. Based on information and belief, Defendant Does 1 through 50 were the